



**Nicole Galloway, CPA**  
Missouri State Auditor

# CITIZENS SUMMARY

## Findings in the audit of the City of Belton

Allocations and Disbursements	The city's established procedures for allocating overhead and administrative costs to restricted funds are not adequate. During the years ended March 31, 2021, and 2020, approximately \$2.9 million in administrative costs paid by the General Fund were allocated each year to various city funds. The beginning cash balance is included in the annual revenue totals for each of these funds, inflating revenues by approximately \$17.8 million during the year ended March 31, 2020, with the majority (approximately \$15 million) being the cash balances of the Wastewater and Water Funds. Recalculations of the overhead allocation excluding cash balances for these funds significantly decreased the amount of costs allocated to the Wastewater and Water Funds. Recalculations performed determined excess transfers were made from the Wastewater and Water Funds during fiscal year 2020 totaling \$64,311 and \$266,519, respectively. Documentation for other administrative costs allocated was not sufficient. In addition, some severance payments made to city employees were not approved by the Council or Park Board and may not have been necessary and/or reasonable.
Police Department's Controls and Procedures	The city has not adequately segregated accounting duties or ensured documented supervisory or independent reviews over various financial accounting functions are performed by the Police department. The Police department's procedures for receipting and recording money are not adequate to ensure all money is handled properly. The city does not have adequate controls and procedures over seized property.
Parks and Recreation Department's Controls and Procedures	Parks and Recreation department personnel do not account for the numerical sequence of receipt slip numbers issued from the financial accounting system, and procedures have not been established for a supervisory review of voided transactions, non-monetary transactions, and adjustments posted to the system.
Electronic Communication Policy	The city has not developed a records management and retention policy in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.

In the areas audited, the overall performance of this entity was **Good**.\*

\*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.



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**Recommendations in the audit of the City of Belton**

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**Allocations and  
Disbursements**

**The City Council:**

- 1.1 Allocate overhead and other administrative costs to city funds based on specific criteria, ensure costs allocated represent administrative costs that benefit all the restricted funds included in the allocation, and discontinue including cash balances when determining overhead allocation percentages.
- 1.2 Review payments from the Wastewater and Water Funds to the General Fund to ensure they reasonably relate to the services being provided and maintain documentation to support the amounts transferred.
- 1.3 And Park Board consider the necessity of severance packages in the future and if granted, ensure they are reasonable and authorized by the Council and/or Park Board.

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**Police Department's Controls  
and Procedures**

**The City Council:**

- 2.1 Segregate the accounting duties at the Police department. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.
- 2.2 Ensure receipt slips are issued for all money received at the Police department with the method of payment indicated and reconcile the composition of receipts to the composition of amounts deposited/transmitted. In addition, checks should be restrictively endorsed upon receipt.
- 2.3 Maintain a complete and accurate record of seized property, and ensure a periodic inventory is conducted and reconciled to the seized property system, and investigate any differences. In addition, ensure the Police department makes timely and appropriate dispositions of seized property in accordance with state law.

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**Parks and Recreation  
Department's Controls and  
Procedures**

**The Park Board:**

- 3.1 Ensure procedures are adopted to account for the numerical sequence of all receipt slips issued and for checks to be restrictively endorsed immediately upon receipt.
- 3.2 Require an independent and/or supervisory review and approval of all voided and non-monetary transactions and adjustments made in the system.

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**Electronic Communication  
Policy**

The City Council develop a written records management and retention policy to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.